

February 10, 2010

To:

Sharon Foster, Board Chairman

Ruthann Kurose, Board Member

From:

Karen McCall, Senior Policy/Legislative Analyst

Subject:

Rescind LCB Interim Policy #06-2009 Nightclub Liquor License

This interim policy was a result of SSB 5367 passed in the 2009 legislative session. Rules were adopted by the Board on December 16, 2009 to implement Interim Policy #06-2009.

Move to rescind LCB Interim Policy #06-2009.

Approve

Not Approve

Sharon Foster, Board Chairman

Approve

Not Approve

Ruthann Kurose, Board Member

Curose

Liquor Control Board Interim Policy #06 - 2009

Subject:

Nightclub Liquor License

Implementation of SSB 5367

Effective Date:

July 26, 2009

Ending Date:

To remain in effect until the completion of

rulemaking on SSB 5367

Approved:

Roger Hoen, Board Member

Kusham Kuvozo Ruthann Kurose, Board Member

Purpose:

The purpose of Liquor Control Board Interim Policy #06-2009 is to provide clarification to new legislation that created a Nightclub liquor license.

Background:

The only liquor license that was available to businesses operating as nightclubs that wished to serve spirits is a spirits, beer, and wine restaurant liquor license. Nightclubs are businesses that primarily provide live entertainment and serve alcohol. Restaurants are primarily food service businesses that also serve alcohol. Having a separate license for nightclubs allows the Board to clearly distinguish between restaurants and nightclubs.

The 2009 legislature passed SSB 5367 creating a Nightclub liquor license. "Nightclub" is defined as an establishment that provides entertainment and has as its primary source of revenue (a) the sale of alcohol for consumption on the premises, (b) cover charges, or (c) both, and has an occupancy load of 100 or more. SSB 5367 also adjusts the cap on spirits, beer, and wine restaurant licenses to 1 per 1200 population statewide, but includes the nightclub license in the cap.

The Nightclub liquor license:

- Has an annual fee of \$2000;
- May only be issued to a person whose business includes the sale and service of alcohol;
- Has no food requirement;
 PO Box 43075, 3000 Pacific Ave. SE, Olympia WA 98504-3075, (360) 664-1600, www.liq.wa.gov

- · Has primary business hours between 9pm and 2am;
- Requires employees to hold a MAST permit;
- Allows local governments to petition the Board to request further restriction be imposed on the license in the interest of public safety (examples: no minors at all times, submitting a security plan, signing a good neighbor agreement with the local government); and
- Allows minors but only in areas where alcohol is not served or consumed.

Policy Statement:

The following application process relates to new applicants applying for a Nightclub liquor license, and to current liquor licensees who wish to obtain a Nightclub liquor license in lieu of their current liquor license.

Complete a Master Business Application and Liquor Control Board Addendum. Information can be found on the WSLCB website at www.liq.wa.gov:

When License Division receives the application:

- a liquor license investigator will be assigned to the application
- the investigator will contact the applicant to conduct an interview and send the applicant a request for documents needed to process the application (the applicant has 15 days to return documents)
- a notice will be sent to the local authority for comment (20 day period)
- a public posting notice will be sent to the local liquor enforcement office to be posted at the retail premises (must be posted for 14 days)
- when all documents are received and the investigation is complete the applicant will receive a letter from License division with either a conditional approval or approval of the liquor license
- when the license is approved the licensee should receive a Master License from Master License Service within 14 days.